



Alarm Force the launch of Alarm Fog Harvard Case Solution & Analysis



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ALARMFORCE



Founded in 1988

Founder: Joel Matlin

Located: Toronto, Canada

The company produces home security system with interactive technology.



History



The original opportunity of interactive technology

Discovering problems:

• Not avert the burglary effectively

• False alarms happened so that police no longer responded to alarm from houses



Declining price of equipment and the increased competition



lacked mass user friendly and affordable technology



Development

In order to occupy and sustain the market, Matlin decided to franchise small business opportunities to sell AlarmForce.

By the end of 1993, AlarmForce had 21 offices throughout Canada, with seven offices opened in that year along.

Three years later, the company had a total of 34 franchises in all Canadian provinces except Quebec.

Promotion

The company spent \$2.5 million through:
Radio
Television
Print media
Billboards



Development

By 2000, Matlin began to buy back certain franchises to improve sufficient customer service and reduce attrition rate.

By 2001, the company repurchased all but 19 franchises and there was still significant representation in every province except Quebec.



The Canadian Home Security Market:

Competitors: 5,000 competitors, dominant players are ADT Ltd., Chubb Security and Honeywell Ltd.

They need to focus on securing long-term monitoring contracts to protect against low switching costs for the consumer.

Achievements

A strong financial position and able to maintain low debt levels compared to other competitors in the industry with a debt-to-equity ratio of less than 1.0 and had more than \$2million of unused credit resources.

Its competitors were not offering anything similar to the wireless two-way voice technology.